

UK STEEL ENTERPRISE LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 28 MARCH 2015

Registered number: 535960

## UK STEEL ENTERPRISE LIMITED

### DIRECTORS' REPORT FOR THE PERIOD ENDED 28 MARCH 2015

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1. **Financial Statements**

The directors submit herewith the audited financial statements of the Company for the 52 week period ended 28 March 2015. The Company is a subsidiary of Tata Steel Limited.

2. **Principal Activities**

The principal objective of the Company is to assist in the regeneration of those areas of the United Kingdom which have been affected by changes in the steel industry. The Company seeks to achieve this by encouraging the creation and growth of small and medium sized businesses which can provide new employment opportunities in these areas.

The principal activities of the Company are the provision of risk finance and premises to businesses which can demonstrate growth potential. The Company also provides support to selected business support agencies and initiatives.

3. **Going Concern**

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

4. **Results and Dividends**

The Company recorded a loss on ordinary activities after taxation of £181,232 (29 March 2014: £1,003,523) as set out in the profit and loss account on page 5. Because of the nature of the Company's activities it is the Board's policy not to make distributions to shareholders. Accordingly the directors do not recommend the payment of a dividend (29 March 2014: £nil). During the year the company made charitable donations of £20,720 (29 March 2014: £36,633) to various local charities.

5. **Directors**

The following directors all served throughout the period and subsequently to the date of this report:

Mr A J Johnston  
Mr S T Hamilton  
Lord Brookman  
Mr A V L Williams  
Mr M J Leahy  
Mr C L Harvey  
Mr P R Martin

**UK STEEL ENTERPRISE LIMITED**

**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 28 MARCH 2015**

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6. **Directors' Responsibilities Statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

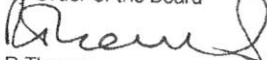
7. **Auditor**

So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware. Relevant information is defined as information needed by the company's auditor in connection with preparing their report. Each director has taken all the steps (such as making enquiries of other directors and the auditor and any other steps required by the directors' duty to exercise due care, skill and diligence) that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

8. **Small company exemption**

The directors have taken advantage of the exemption available to small companies in the preparation of the directors' report.

By Order of the Board



R Thomas

Secretary

23 June 2015

The Innovation Centre  
217 Portobello  
Sheffield S1 4DP

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF UK STEEL ENTERPRISE LIMITED

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We have audited the financial statements of UK Steel Enterprise Limited for the 52 week period ended 28 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 March 2015 and of its loss for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report.



Christopher Powell FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds

23 June 2015

UK STEEL ENTERPRISE LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 28 MARCH 2015

	Notes	Period ended 28 Mar 2015	Period ended 29 Mar 2014
		£	£
Turnover	1(i)	2,924,153	2,854,254
Other operating income	2	787,821	593,851
Staff costs	5	(1,335,359)	(1,338,911)
Depreciation	8	(668,079)	(669,491)
Other operating charges		(2,137,810)	(2,187,449)
Movement in valuations of loans and receivables	10	(38,657)	(412,013)
Revaluations of equity investments	10	229,657	101,763
<b>Operating loss</b>	3	<b>(238,274)</b>	<b>(1,057,996)</b>
Other interest receivable and similar income	4	57,042	54,473
<b>Loss on ordinary activities before taxation</b>		<b>(181,232)</b>	<b>(1,003,523)</b>
Taxation	6	-	-
<b>Loss on ordinary activities after taxation</b>	17/18	<b>(181,232)</b>	<b>(1,003,523)</b>

All items dealt with above relate to continuing operations.

The company has no recognised gains and losses other than the gains shown above and therefore no separate statement of total recognised gains and losses has been presented.

**UK STEEL ENTERPRISE LIMITED**

**BALANCE SHEET  
AS AT 28 MARCH 2015**

		28 Mar 2015	29 Mar 2014
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	8	10,102,330	10,632,846
Financial assets			
- Unquoted equity investments	10	1,544,534	1,383,042
- Loans and receivables	10	4,301,138	3,898,654
Investment in subsidiary undertaking	9	35,000	35,000
		<u>15,983,002</u>	<u>15,949,542</u>
<b>CURRENT ASSETS</b>			
Debtors	11	12,536,191	11,343,726
Cash at bank and in hand		696,081	1,500,395
		<u>13,232,272</u>	<u>12,844,121</u>
<b>CREDITORS: amounts falling due within 1 year</b>	12	<b>(2,022,633)</b>	<b>(1,368,500)</b>
<b>NET CURRENT ASSETS</b>		<b>11,209,639</b>	<b>11,475,621</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>27,192,641</b>	<b>27,425,163</b>
<b>ACCRUALS AND DEFERRED INCOME</b>	13	<b>(749,805)</b>	<b>(801,095)</b>
<b>NET ASSETS</b>		<b>26,442,836</b>	<b>26,624,068</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	10,000,100	10,000,100
Capital Contribution	16	10,650,000	10,650,000
Profit and loss account	17	5,792,736	5,973,968
<b>SHAREHOLDERS' FUNDS</b>	18	<b>26,442,836</b>	<b>26,624,068</b>

The financial statements of the company, registered number 535960, on pages 5 to 17 were approved by the board of directors and authorised for issue on 23 June 2015 and were signed on its behalf by:-



S T Hamilton  
Director

## UK STEEL ENTERPRISE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - 28 MARCH 2015

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#### 1. STATEMENT OF ACCOUNTING POLICIES

A summary of the more important accounting policies which have been applied consistently is set out below:-

(a) **Basis of Preparation of the Financial Statements**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments and financial instruments and in accordance with applicable Accounting Standards in the United Kingdom.

The financial statements contain information about UK Steel Enterprise Limited as an individual company and do not contain consolidated financial information as parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Tata Steel Europe Limited, a company registered in England and Wales.

(b) **Financial Period**

These financial statements have been prepared for the 52 weeks (prior period: 52 weeks) from 30 March 2014 to 28 March 2015.

(c) **Going Concern**

The company meets its day to day working capital requirements through the reserves held under a group banking facility managed by its intermediate parent company, Tata Steel UK Limited. The directors have reviewed forecasts and projections for the following 12 month period which reflect the uncertain current economic environment. The company's forecasts and projections show that they should be able to operate within the current facilities.

After making enquiries, the directors have a reasonable expectation that the company has adequate reserves to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

(d) **Tangible Fixed Assets**

All fixed assets are recorded at cost less accumulated depreciation and any impairment loss. Cost is purchase cost together with any incidental expenses of acquisition.

(e) **Depreciation**

Depreciation is provided so as to write off the cost of tangible fixed assets on a straight line basis, over their estimated remaining useful lives.

The principal annual rates used for this purpose are:

	%
Freehold land	-
Freehold buildings	4
Leasehold property	4
Equipment	10 - 33

## UK STEEL ENTERPRISE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - 28 MARCH 2015

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#### STATEMENT OF ACCOUNTING POLICIES (continued)

##### (f) **Government and European Grants**

In accordance with SSAP 4 (Revised) government grants and other capital grants received and receivable are credited to deferred income and are released to the profit and loss account over the estimated useful lives of the assets to which they relate. In the exceptional circumstances where grant funding is made available, usually from European Union funds, to enable the construction of a building which has a lower net realisable value than purchase price or production cost, the release of the grant to the profit and loss account is accelerated up to a maximum of any impairment loss.

##### (g) **Financial Assets**

In accordance with FRS 26 "Financial Instruments: recognition and measurement" all equity investments are designated to be assets at fair value through profit or loss and subsequently carried in the balance sheet at fair value. Investments in fixed income preference shares and loans are classified as loans and receivables and are carried at amortised cost less impairment. All investments are initially recognised at the fair value of the consideration given and held at this value until it is appropriate to measure fair value on a different basis. Investments in subsidiaries are accounted for at cost less any provision for impairment.

Income from loans and receivables is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts the future cash flows through the expected life of the financial asset to that asset's carrying value. Dividends from equity investments are recognised when they are received.

##### (h) **Pensions**

The Company contributes to a group pension scheme operated by Tata Steel UK Limited. Since the Company is unable to identify its share of the assets and liabilities of the scheme on a consistent and reasonable basis, pension obligations are accounted for on a defined contribution basis as a multi-employer scheme in accordance with FRS 17.

##### (i) **Turnover**

Turnover is stated net of VAT and comprises amounts due from workshop tenants for property rentals, licence fees and services provided (gas, electricity, rates etc) and is recognised as it arises. Turnover is wholly attributable to trading in the United Kingdom.

##### (j) **Taxation**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Liabilities are not recognised for taxable temporary differences arising on investments in subsidiaries, joint ventures and associates where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The Company has chosen not to discount deferred tax assets and liabilities.

Both current and deferred tax items are calculated using the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. This means using tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also recognised within equity.

The reduction in the main rate of corporation tax from 24% to 23% effective from 1 April 2013, was substantively enacted on 3 July 2012. Since that date, further legislation has been enacted which has reduced the corporation tax rate to 21% with effect from 1 April 2014, and 20% with effect from 1 April 2015.



**UK STEEL ENTERPRISE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - 28 MARCH 2015**

**STATEMENT OF ACCOUNTING POLICIES (continued)**

(j) **Taxation (continued)**

These further reductions in the UK corporation tax rate were substantively enacted on 2 July 2013, and hence prior to the balance sheet date. Accordingly, deferred tax balances have been revalued to 20% in these accounts.

(k) **Operating Leases**

Rentals paid in respect of operating leases are charged to the profit and loss account as incurred. The Company does not have any finance leases.

(l) **Cash Flow Statement**

A cash flow statement has not been prepared on the grounds that the Company is a wholly owned subsidiary of Tata Steel Europe Limited, which presents a consolidated cash flow statement in its financial statements in accordance with Financial Reporting Standard Number 1.

(m) **Related Party Transactions**

In accordance with the exemption allowed by FRS 8 "Related Party Transactions", transactions with Tata Steel Limited and fellow subsidiary undertakings are not disclosed.

2. **OTHER OPERATING INCOME**

	Period ended 28 Mar 2015	Period ended 29 Mar 2014
	£	£
Dividends received from equity investments	199,848	159,394
Income from loans and receivables	370,265	329,748
Monitoring and arrangement fees	53,300	31,650
Sundry property income	69,425	-
Revenue grant income	43,693	20,000
Amortisation of grant income (note 13)	51,290	53,059
	<u>787,821</u>	<u>593,851</u>

3. **OPERATING LOSS**

	Period ended 28 Mar 2015	Period ended 29 Mar 2014
	£	£
Operating loss is stated after charging:		
Depreciation of tangible fixed assets:		
- owned assets	668,079	669,491
Auditor's remuneration for:		
- fees payable to the Company's auditor for the audit of the Company's financial statements	9,811	9,811
Hire of motor vehicles - operating leases	52,519	45,548
	<u>730,409</u>	<u>734,841</u>

4. **OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

	Period ended 28 Mar 2015	Period ended 29 Mar 2014
	£	£
Group interest	57,042	54,473
	<u>57,042</u>	<u>54,473</u>

UK STEEL ENTERPRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 28 MARCH 2015

5. EMPLOYEE INFORMATION

	Period ended 28 Mar 2015	Period ended 29 Mar 2014
	£	£
Wages and salaries	1,049,612	1,101,484
Social security costs	99,481	109,029
Other pension costs (note 19)	186,266	128,398
	<u>1,335,359</u>	<u>1,338,911</u>

The average monthly number of persons (including executive directors) employed by the company during the period was as follows:

	Period ended 28 Mar 2015	Period ended 29 Mar 2014
	Number	Number
Administration	<u>26</u>	<u>28</u>

6. TAXATION

	Period ended 28 Mar 2015	Period ended 29 Mar 2014
	£	£
Current tax	<u>-</u>	<u>-</u>
The current tax reconciles with the standard rate of corporation tax as follows:		
Loss on ordinary activities before tax	<u>(181,232)</u>	<u>(1,003,523)</u>
Loss on ordinary activities multiplied by standard rate in the UK at 21% (2014: 23%)	(38,059)	(230,810)
Temporary timing differences between taxable and accounting profit:		
Accelerated capital allowances	(23,070)	(26,447)
Other timing differences	(40,476)	(14,916)
Recognised tax losses carried forward	-	41,363
Permanent timing differences between taxable and accounting profit:		
Changes in unrecognised tax losses carried forward	(42,131)	58,724
Permanent differences	<u>143,736</u>	<u>172,086</u>
	<u>-</u>	<u>-</u>

UK STEEL ENTERPRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 28 MARCH 2015

7. DIRECTORS' EMOLUMENTS

	Period ended 28 Mar 2015	Period ended 29 Mar 2014
	<u>£</u>	<u>£</u>
Aggregate emoluments	<u>115,337</u>	<u>159,618</u>

Retirement benefits are accruing to 1 (29 March 2014: 1) director under the British Steel Pension Scheme defined benefit scheme.

The emoluments of Mr Harvey and Mr Martin are paid by an intermediate parent company. Their services to UK Steel Enterprise Limited are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the parent company. Accordingly, the above details include no emoluments in respect of Mr Harvey and Mr Martin.

8. TANGIBLE FIXED ASSETS

	Long Leasehold Buildings	Freehold Land and Buildings	Equipment	Total
	£	£	£	£
<u>COST</u>				
At 30 March 2014	12,259,675	11,084,583	296,092	<b>23,640,350</b>
Additions	-	103,274	34,289	<b>137,563</b>
Disposals	-	-	(32,646)	<b>(32,646)</b>
At 28 March 2015	<u>12,259,675</u>	<u>11,187,857</u>	<u>297,735</u>	<u><b>23,745,267</b></u>
<u>DEPRECIATION</u>				
At 30 March 2014	(6,228,931)	(6,501,807)	(276,766)	<b>(13,007,504)</b>
Charge for period	(288,228)	(371,298)	(8,553)	<b>(668,079)</b>
Disposals	-	-	32,646	<b>32,646</b>
At 28 March 2015	<u>(6,517,159)</u>	<u>(6,873,105)</u>	<u>(252,673)</u>	<u><b>(13,642,937)</b></u>
<u>NET BOOK VALUE</u>				
At 28 March 2015	<u>5,742,516</u>	<u>4,314,752</u>	<u>45,062</u>	<u><b>10,102,330</b></u>
At 29 March 2014	<u>6,030,744</u>	<u>4,582,776</u>	<u>19,326</u>	<u><b>10,632,846</b></u>

# UK STEEL ENTERPRISE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 28 MARCH 2015

### 9. INVESTMENT IN SUBSIDIARY UNDERTAKING

	£
Cost and net book value at 30 March 2014 and 28 March 2015	35,000

The Company has the following subsidiary undertakings, all of which are registered in England and Wales:

	Profit for the period ended 28 Mar 2015 £	Net Assets as at 28 Mar 2015 £
UKSE Fund Managers Limited (wholly owned)	-	45,956
UKSE Fund Managers (General Partner) Limited (wholly owned by UKSE Fund Managers Limited)	-	1

UKSE Fund Managers Limited provides fund management services.

UKSE Fund Managers (General Partner) Limited was dormant throughout the period and was dissolved in May 2015.

### 10. FINANCIAL ASSETS

	Unquoted equity investments £	Loans and receivables £	Total £
At 30 March 2014	1,383,042	3,898,654	5,281,696
Additions	140,000	2,295,000	2,435,000
Disposals, repayments and recoveries	(208,165)	(1,853,859)	(2,062,024)
Revaluations of equity investments	229,657	-	229,657
Movement in the fair values of loans and receivables	-	(38,657)	(38,657)
At 28 March 2015	1,544,534	4,301,138	5,845,672

Those investments in which the company holds 20% or more of the nominal value of any class of share are detailed below. All of these investments are in companies that are incorporated in the United Kingdom.

Company Name	Class of share held	Proportion of nominal value of class held
Abbeylea Food Group Ltd	Preferred ordinary	100.0%
ACM Bearings Ltd	Ordinary	34.0%
Anotek Ltd	Preferred ordinary	100.0%
Bolton Surgical Ltd	Preferred ordinary	100.0%
Camal Enterprises Ltd	Preferred ordinary	100.0%
Durable Technologies Manufacturing Ltd	Preferred ordinary	100.0%
Energy Maintenance Company Ltd	Preferred ordinary	100.0%
Enviro Power Services Ltd	Preferred ordinary	100.0%
Fame Solutions Ltd	Preferred ordinary	100.0%
FJG Logistics Ltd	Preferred ordinary	100.0%
Fuellink Holdings (Scotland) Ltd	Preferred ordinary	100.0%
Global Integrated Solutions Ltd	Preferred ordinary	50.0%
Global Integrated Solutions Ltd	Preference	50.0%
GMSS Holding Ltd	Preferred ordinary	100.0%
GMSS Holding Ltd	Preference	100.0%
Hartlepool Investments Ltd	Preferred ordinary	100.0%
Hydra Technologies Ltd	Preferred ordinary	100.0%
JDP Contracting (Holdings) Ltd	Preferred ordinary (A class)	100.0%
JDP Contracting (Holdings) Ltd	Preferred ordinary (R class)	100.0%
JFS Associates Ltd	Preferred ordinary	100.0%

**UK STEEL ENTERPRISE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - 28 MARCH 2015**

10. **FINANCIAL ASSETS (continued)**

Martin Aerospace Ltd	Preferred ordinary	100.0%
McCalls Special Products Ltd	Preferred ordinary	100.0%
Pinnacle Re-Tec Ltd	Preferred ordinary	100.0%
Safehinge Ltd	Preferred ordinary	100.0%
Safehinge Ltd	Preference	100.0%
Sayu Ltd	Preferred ordinary	100.0%
Sirus Automotive Ltd	Preferred ordinary	100.0%
Sutherland Trading Company Ltd	Preferred ordinary	100.0%

11. **DEBTORS**

	28 Mar 2015	29 Mar 2014
	£	£
Amounts owed by group undertakings	12,399,082	11,223,216
Prepayments and accrued income	49,540	65,061
Other debtors	87,569	55,449
	<u>12,536,191</u>	<u>11,343,726</u>

Amounts owed by group undertakings are unsecured, earn interest at Bank of England base rate, have no fixed date of repayment and are repayable upon demand.

12. **CREDITORS - Amounts falling due within one year**

	28 Mar 2015	29 Mar 2014
	£	£
Trade creditors	76,774	108,477
Amounts owed to group undertakings	1	1
Deposits held	482,368	481,855
Other taxation and social security	15,109	23,927
Other creditors	1,448,381	754,240
	<u>2,022,633</u>	<u>1,368,500</u>

13. **ACCRUALS AND DEFERRED INCOME**

	28 Mar 2015	29 Mar 2014
	£	£
Government, European Union and other capital grants		
Opening deferred income	801,095	852,385
Additions	-	1,769
Transfer to profit and loss account (note 2)	(51,290)	(53,059)
Closing deferred income	<u>749,805</u>	<u>801,095</u>

**UK STEEL ENTERPRISE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - 28 MARCH 2015**

14. **PROVISIONS FOR LIABILITIES AND CHARGES**

**Deferred Taxation**

Deferred taxation is provided in the financial statements in accordance with the Company's accounting policy described in note 1(j).

	Accelerated tax depreciation	Losses	Other	Total
	£	£	£	£
<b>2015</b>				
At 30 March 2014	(70,528)	116,809	(46,281)	-
(Charge)/credit to profit and loss account	(21,972)	60,521	(38,549)	-
At 28 March 2015	(92,500)	177,330	(84,830)	-
	Accelerated tax depreciation	Losses	Other	Total
	£	£	£	£
<b>2014</b>				
At 31 March 2013	(54,660)	92,967	(38,307)	-
(Charge)/credit to profit and loss account	(15,868)	23,842	(7,974)	-
At 29 March 2014	(70,528)	116,809	(46,281)	-

A deferred tax asset is not recognised in respect of tax losses of £4,142,779 (29 March 2014: £4,345,706) due to the uncertainty of utilisation.

15. **SHARE CAPITAL**

	28 Mar 2015	29 Mar 2014
	£	£
Authorised:		
Ordinary shares of £1 each	12,000,000	12,000,000
Allotted, called up and fully paid:		
Ordinary shares of £1 each	10,000,100	10,000,100

16. **CAPITAL CONTRIBUTION**

	28 Mar 2015	29 Mar 2014
	£	£
Capital Contribution	10,650,000	10,650,000

**UK STEEL ENTERPRISE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - 28 MARCH 2015**

17. **RESERVES**

	Profit & Loss Account
	£
At 30 March 2014	
Retained loss for the financial period	5,973,968 (181,232)
At 28 March 2015	<u>5,792,736</u>

18. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	Period ended 28 Mar 2015	Period ended 29 Mar 2014
	£	£
Loss for the financial period	<u>(181,232)</u>	<u>(1,003,523)</u>
Net decrease in shareholders' funds	<u>(181,232)</u>	<u>(1,003,523)</u>
Opening shareholders' funds	<u>26,624,068</u>	<u>27,627,591</u>
Closing shareholders' funds	<u>26,442,836</u>	<u>26,624,068</u>

19. **PENSIONS**

The Company participates in the British Steel Pension Scheme, a group pension scheme operated by Tata Steel UK Limited. This is a defined benefit scheme providing benefits based on final pay and service at retirement. The scheme is operated under trust and its assets are invested independently of the group.

The pension costs to the Company for the period ended 28 March 2015 amounted to £186,266 (29 March 2014: £128,398). Since the company is unable to identify its share of the underlying assets and liabilities in the British Steel Pension Scheme on a consistent and reasonable basis, pension obligations are accounted for as multi-employer under FRS17. Full disclosures are provided in the financial statements of Tata Steel UK Limited.

Throughout the period UK Steel Enterprise Limited, along with other participating employers, contributed 13% of pensionable salary into the scheme.

The increase in the pension costs during the financial year to 28 March 2015 reflects the introduction of Smart Pensions, a salary sacrifice scheme under which employees have the option to elect to stop making employee contributions and for the employer to make additional contributions on their behalf in return for an equivalent reduction in gross contractual pay.

UK STEEL ENTERPRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 28 MARCH 2015

20. **FINANCIAL RISK MANAGEMENT**

**Credit risk** The Company's financial assets are predominantly unsecured investments in unquoted small and medium sized companies, in which the Directors consider the maximum credit risk to be the carrying value of the asset. The portfolio is well diversified and so the credit risk is managed on an individual asset basis.

**Liquidity risk** During the financial period the Company generated a cash surplus before administration costs of £460,000 (2014: Deficit of £55,000) from its investing activities and at the end of the period it had resources, via a facility with its parent company, of £12m (2014: £11m). The Directors currently view liquidity risk as low.

**Price risk** The valuation of unquoted investments depends upon a combination of market factors and the performance of the underlying asset. The Company does not hedge the market risk inherent in the portfolio but manages asset performance on an asset specific basis.

**Currency risk** The Company invests in UK based companies and deals solely in sterling. Consequently there is no currency risk.

**Interest rate risk** The Company invests almost entirely in fixed rate assets being funded solely from shareholders' funds. The Company does not actively manage its interest rate risk.

All loans and receivables held by the Company earn fixed interest rates and are being serviced by regular periodic interest and capital payments. The table below provides a breakdown of these assets by interest rate and the year in which the final repayment is scheduled to be made.

At 28 Mar 2015						
	1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Total
Interest rate	£'000	£'000	£'000	£'000	£'000	£'000
3.00%	-	-	12	-	-	12
5.00%	23	3	31	-	-	57
6.00%	14	153	-	-	-	167
6.50%	-	-	54	-	-	54
7.00%	30	145	131	-	-	306
7.50%	-	-	75	-	-	75
8.00%	277	350	647	685	236	2,195
8.50%	-	48	150	42	218	458
9.00%	50	-	96	-	164	310
9.50%	-	-	75	-	-	75
10.00%	-	-	96	472	24	592
	<b>394</b>	<b>699</b>	<b>1,367</b>	<b>1,199</b>	<b>642</b>	<b>4,301</b>

At 29 Mar 2014						
	1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Total
Interest rate	£'000	£'000	£'000	£'000	£'000	£'000
3.00%	-	-	14	-	-	14
5.00%	2	65	37	-	-	104
6.00%	13	28	193	-	-	234
6.50%	-	-	-	70	-	70
7.00%	5	80	200	287	-	572
8.00%	280	588	503	561	583	2,515
8.50%	46	-	-	50	-	96
9.00%	33	-	-	88	-	121
9.50%	-	-	50	-	-	50
10.00%	-	-	-	-	123	123
	<b>379</b>	<b>761</b>	<b>997</b>	<b>1,056</b>	<b>706</b>	<b>3,899</b>



**UK STEEL ENTERPRISE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - 28 MARCH 2015**

21. **COMMITMENTS**

	28 Mar 2015	29 Mar 2014
	£	£
(a) Loans and investments in share capital committed but not paid	269,189	410,000
(b) Leasing commitments		

The annual commitments under operating leases are analysed according to the period in which each lease expires, as follows:

Motor vehicles, leases expiring within 1 year	8,522	7,249
Motor vehicles, leases expiring within 2-5 years	63,246	31,206
	71,768	38,455
(c) Third party loans guaranteed	-	30,000

22. **RING-FENCED FUNDS**

Within current assets there are European Regional Development Fund grant assisted investment funds which have been set up for investments in specific areas of the United Kingdom. Under the terms of the different schemes these funds are ring fenced for investment in accordance with the scheme rules. The totals of these funds as at the period end are as shown below.

	28 Mar 2015	29 Mar 2014
	£	£
Yorkshire and Humberside Enterprise Fund	1,131,705	1,066,598
South Wales Technology and Enterprise Fund	983,512	1,057,698
North of England Venture Capital Fund	148,970	64,914
	2,264,187	2,189,210

23. **ULTIMATE PARENT COMPANY**

The immediate parent company and controlling entity is Tata Steel UK Limited.

The ultimate parent company is Tata Steel Limited, a company incorporated in India.

Tata Steel Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements. The consolidated financial statements of Tata Steel Limited are available from Bombay House, 24, Homi Mody Street, Mumbai - 400 001, India.

Tata Steel Europe Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements.